

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 552 - HB 616

March 10, 2017

SUMMARY OF BILL: Requires the Department of Children's Services (DCS) to partner with a facility to create a pilot program for the treatment of minor victims of trafficking for a commercial sex act. Requires the DCS to submit a report to the Judiciary Committee of the Senate and the Criminal Justice Committee of the House of Representatives at the end of the pilot program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$740,900

Increase Federal Expenditures - \$573,100

Assumptions:

- Based on information provided by the DCS, the proposed legislation cannot be accommodated within existing resources.
- The recurring increase in expenditures associated with the pilot program is estimated to be \$1,314,000 (\$300 estimated cost per day x 365 days a year x 12 minors per year).
- These expenditures will be funded through a combination of DCS state funds (37.4%), TennCare funds (55.2%), and Title IV-E federal funds (7.4%).
- Medicaid expenditures receive matching funds at a rate of 65.605 percent federal funds to 34.395 percent state funds.
- The recurring increase in expenditures of \$1,314,000 will be compiled of \$740,913 in state fund and \$573,087 in federal funds as follows:
 - \$491,436 in DCS state funds ($\$1,314,000 \times 37.4\%$).
 - \$249,477 in TennCare state funds [$(\$1,314,000 \times 55.2\%) \times 34.395\%$]
 - \$475,851 in TennCare federal funds [$(\$1,314,000 \times 55.2\%) \times 65.605\%$]
 - \$97,236 in Title IV-E federal funds ($\$1,314,000 \times 7.4\%$).
- The end date of the pilot program has not been established. Therefore, for the purposes of this fiscal analysis, it is assumed that all expenditures associated with the program are recurring.
- The total recurring increase in state expenditures is estimated to be \$740,913 (\$491,436 + \$249,477).

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- The total recurring increase in federal expenditures is estimated to be \$573,087 (\$475,851 + \$97,236).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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